

Re: High Priority: Economic Impacts of Blockades at Border Crossings

From: "Capeluck, Evan" </o=exchangelabs/ou=exchange administrative group (fydibohf23spdl)/cn=recipients/cn=295ea56b3a614e66a8648bebfa762175-capeluck, e">
To: "Turcotte, Julie" <julie.turcotte@fin.gc.ca>, "Bilodeau-Fortin, Geoffroy" <geoffroy.bilodeau-fortin@fin.gc.ca>, "Torgunrud, Brian" <brian.torgunrud@fin.gc.ca>, "Lee, Frank" <frank.lee@fin.gc.ca>
Cc: "Lawson, Tyler" <tyler.lawson@fin.gc.ca>, "Roy, Bruno" <bruno.roy@fin.gc.ca>
Date: Thu, 10 Feb 2022 21:29:59 +0000

Sounds good. We can work on some numbers.

From: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Sent: Thursday, February 10, 2022 4:28:33 PM
To: Capeluck, Evan <Evan.Capeluck@fin.gc.ca>; Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>
Cc: Lawson, Tyler <Tyler.Lawson@fin.gc.ca>; Roy, Bruno <Bruno.Roy@fin.gc.ca>
Subject: RE: High Priority: Economic Impacts of Blockades at Border Crossings

Yep, I agree. But probably more challenging for border crossings than lets say Champlain bridge. Lets not put any numbers for now, but they will come back with the question, flagging so we have time to think about/look into it. I will connect with Christian too, and cc you.
Tyler/Bruno – for your info too, peanuts for your side of the border, but in case you see any intel.

From: Capeluck, Evan <Evan.Capeluck@fin.gc.ca>
Sent: Thursday, February 10, 2022 4:15 PM
To: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>; Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>
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I'm not sure we can infer too much from the rail blockades. My hunch is that it's a lot easier to divert road traffic than rail traffic (more capacity, diversity of routes, etc.). The increased wait times in Sarnia is in some ways a positive sign since it means that shipments are still finding a way to get to their destination. Further, the surprisingly small impacts from the B.C. floods (in many ways, more disruptive) provides a useful counterpoint.

From: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Sent: Thursday, February 10, 2022 4:02 PM
To: Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Capeluck, Evan <Evan.Capeluck@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>
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Nick thinks we are too soft – made some changes to points upfront to emphasize the impacts that could become more sizable...

Given we have about \$400M in goods traded that are impacted vs the rail blockades (\$260M per day)
– would we be in a position to make such a statement as per below?

- The **economic impact** of a two-week disruption for \$260M/day worth of rail shipments is estimated to be **in the range of \$30 to \$70 million per day of disruption**. This represents a permanent loss to the Canadian economy. This number could quickly increase the longer the shutdown of operations is active. This would translate to between **0.1 and 0.3 percentage points reduction in real GDP growth** on an annualized basis in the first quarter of 2020.

From: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>
Sent: Thursday, February 10, 2022 2:40 PM
To: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Cc: Olsen, Linda <Linda.Olsen@fin.gc.ca>; Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Capeluck, Evan <Evan.Capeluck@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>
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Thanks. I have shared this version. Please let me know as you update this.

From: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Sent: Thursday, February 10, 2022 2:27 PM
To: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>
Cc: Olsen, Linda <Linda.Olsen@fin.gc.ca>; Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Capeluck, Evan <Evan.Capeluck@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>
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We are done, good to go.

I sent it to EDCF colleagues but don't think they will have time to review.

Will also share with Christian at Transport Canada, they were also working on their assessment so will ensure its aligned; they are also a very good source of intel and detailed sectoral impacts.

From: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>
Sent: Thursday, February 10, 2022 1:45 PM
To: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Cc: Olsen, Linda <Linda.Olsen@fin.gc.ca>; Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Capeluck, Evan <Evan.Capeluck@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>
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This is great! I can see that some changes are being made. Please let me know when there is a clean version that I can share. We need to keep this evergreened over the next few days, so I have put a version number at the top to help Tushara identify the latest version in the paper copies that she makes for Michael, but happy to have a different approach to make the versions clear.

For the next version, I would like to:

- (1) Have more on transportation infrastructure that could be *at risk* of disruption (critical bridges, ports, border crossings, maybe airports). Identify them and discuss potential for economic disruption. (Michael asked specifically about the Champlain Bridge in Montreal, given that he thought it could be easily blocked. So would be helpful for me to have something in my back pocket on this, even if you don't think it merits mention in the document).
- (2) Develop the argument upfront for why the economic impact could grow substantially if the disruptions persist and/or spread. This point is already evident in the document – I just want to highlight the economic narrative upfront.

Appreciate the work on this. It is a high priority to keep it up to date, as we could be asked for updates at any time.

Thanks,
Rhys

From: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>

Sent: Thursday, February 10, 2022 12:59 PM

To: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>

Cc: Olsen, Linda <Linda.Olsen@fin.gc.ca>; Bilodeau-Fortin, Geoffroy <Geoffroy.Bilodeau-Fortin@fin.gc.ca>; Torgunrud, Brian <Brian.Torgunrud@fin.gc.ca>; Capeluck, Evan <Evan.Capeluck@fin.gc.ca>; Lee, Frank <Frank.Lee@fin.gc.ca>

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Here is a scan of the situation and a preliminary assessment from Geoffroy and Evan:
<https://sharepoint.fin.gc.ca/POLI/EFPP/Documents/Economic%20Monitoring/Backgrounder%20-%20Ambassador%20Bridge%20Blockade.docx?web=1>